

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**HB 1382 - SB 1493**

March 19, 2009

**SUMMARY OF BILL:** Exempts from petroleum tax any fuel used by an independent contractor under contract with a local education agency for providing transportation services.

**ESTIMATED FISCAL IMPACT:**

On March 10, 2009, we issued a fiscal note for this bill indicating a *decrease to state revenue of \$65,300 from the Highway Fund*. Based on additional information provided by the Department of Education, the fiscal impact for this bill is estimated as follows:

**(CORRECTED)**

**Decrease State Revenue - \$1,000,000/Highway Fund**

Assumptions:

- According to the Department of Education (DOE), there are 26 counties who contract with local education agencies for transportation services.
- According to DOE, there are 2,283 buses utilized under such contracts.
- DOE indicates the average number of miles driven per bus is 73 per day.
- DOE indicates a 180-day school year.
- The cumulative number of miles driven by all buses is estimated to be 29,998,600 per year ( $2,283 \times 73 \times 180 = 29,998,620$ ).
- DOE indicates that such buses average six miles per gallon.
- The number of gallons of fuel that would become exempt from gasoline tax is estimated to be 4,999,767 per year ( $29,998,600 / 6 = 4,999,767$ ).
- The decrease of gasoline tax revenue is estimated to be \$1,000,000 per year ( $4,999,767 \times \$0.20 = \$999,953$ ).
- Gasoline tax is apportioned to the Highway Fund.

**HB 1382 - SB 1493 (CORRECTED)**

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc